

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:) Chapter 11
)
ARCHDIOCESE OF MILWAUKEE,) Case No. 11-20059-SVK
)
Debtor.)
)
)

**FIFTH MONTHLY FEE REQUEST OF
PACHULSKI STANG ZIEHL & JONES LLP, COUNSEL FOR
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
FOR THE PERIOD AUGUST 1, 2011 THROUGH AUGUST 31, 2011**

Pursuant to the *Court's Order Granting Debtor's Motion to Establish Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, Pachulski Stang Ziehl & Jones LLP ("PSZJ") hereby submits its Fifth Monthly Fee Request (the "Application"). PSZJ requests payment of fees and expenses in the following amounts for the period August 1, 2011 through August 31, 2011:

Total Fees Requested:	\$49,866.80	(80% of the total fees: \$62,333.50)
Total Expenses Requested:	\$22,613.65	(100% of total expenses)
Total Fees and Expenses Requested:	<u>\$72,480.45</u>	

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Attached hereto and incorporated by reference in this Application are the time and expense descriptions that support the amounts claimed.

1. On January 4, 2011 (the "Petition Date"), the Archdiocese of Milwaukee (the "Debtor") filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "Code").
2. On or about January 24, 2011, the United States Trustee appointed the Committee to represent the Debtor's unsecured creditors pursuant to 11 U.S.C. §1102(a)(1).
3. On February 5, 2011, the Committee filed an application with this Court for authorization to employ PSZJ pursuant to 11 U.S.C. §§328, 504, 1102 and 1103, and Federal Rules of Bankruptcy Procedure 2014 and 2016.

4. On February 24, 2011, this Court entered an order authorizing the Committee to employ PSZJ as counsel for the Committee effective as of January 25, 2011.

5. PSZJ has rendered services during the period August 1, 2011 through August 31, 2011 (the "Compensation Period") totaling 119.8 hours.

6. PSZJ maintains contemporaneous records of the time expended for the professional services and expenses performed in connection with this chapter 11 case. These records are maintained in the ordinary course of PSZJ's business. These records provide a detailed description of the services rendered and expenses incurred during the Compensation Period for which this Application is being made. A summary of PSZJ's

fees and expenses during the Compensation Period in the sum of \$84,947.15 is marked as **Exhibit A.**¹ This summary also contains a breakdown of fees according to subject matter categories relating specifically to this chapter 11 case. PSZJ notes that its fees and expenses are customary charges made to other firm clients in the ordinary course of PSZJ's billing practice, with the exception of the reduction of James I. Stang's hourly billing rate to \$650.

7. To assist the Court in its review of PSZJ's fees, **Exhibit B** contains PSZJ's bill for the Compensation Period. **Exhibit C** to this Application contains a summary of PSZJ's bill, separated into the following billing categories:

- a. Asset Analysis/Recovery: (Total hours: 47.3, total fees \$26,996.00): During the Compensation Period, PSZJ reviewed, analyzed, and cataloged documents produced in response to the Committee's general Rule 2004 motion. In addition, PSZJ reviewed the Debtor's opposition to the Rule 2004 motion for oral examination and the production of documents concerning aged and infirm witnesses, and prepared a reply brief in support of the motion. Additionally, PSZJ held discussions with Debtor's counsel regarding that motion, including settlement discussions. On August 12, PSZJ appeared before the Court for oral argument on that motion. After that hearing, PSZJ drafted and negotiated with Debtor's counsel, concerning the order granting the motion. PSZJ also

¹ For the purposes of this fee application, PSZJ has capped its fees at a rate of \$650 without prejudice to its right to seek compensation at a future time for the full hourly rate that it charges other clients. For James I. Stang, that current rate is \$895 per hour. [AJK & KHB didn't bill any time in August so they need to be removed from this fn.]

engaged in communications concerning the Debtor's production of documents pursuant to the order granting the motion.

b. Bankruptcy Litigation: (Total hours 28.9, total fees \$15,885.00):

During the Compensation Period, PSZJ's focus in this category involved the cemetery trust adversary proceeding. PSZJ researched law regarding avoidance claims and standing issues. Moreover, PSZJ prepared a draft motion for authority to litigate Debtor's avoidance claims and negotiated a stipulation with the Debtor and the plaintiff granting the Committee standing to litigate avoidance claims. Finally, PSZJ worked with the Committee's financial advisor, Berkeley Research Group, LLP ("BRG") on financial analyses of the alleged Cemetery Trust funds in preparation of the Committee's affirmative defenses and counterclaims in the cemetery trust adversary proceeding.

c. Case Administration: (Total hours: 3.7, total fees \$1,020.00):

PSZJ paralegals performed most of the case administration work in this case, including tracking critical dates. PSZJ lawyers limited their case administration work to editing the memorandum of critical dates in the case. PSZJ also had discussions with co-counsel regarding the Debtor's improper disclosure of survivor information.

d. Claims Admin/Objections: (Total hours: 16.2, total fees \$6,895.00): During the Compensation Period, PSZJ focused on assisting creditors

in connection with the bar date. PSZJ assisted creditors by providing information concerning the bar date, including proof of claim forms and the bar date order; replying to emails; speaking with potential creditors; and maintaining a creditor call log. Additionally, PSZJ researched updated addresses for claimants whose bar date packages were returned to the Debtor as undeliverable.

e. Compensation of Professionals: (Total hours: 8.1, total fees \$2,565.00): During the Compensation Period, PSZJ reviewed and edited its bills, and prepared two monthly fee applications for June and July 2011.

f. Compensation of Prof./Others: (Total hours: 0.8, total fees \$410.00): PSZJ reviewed invoices from e-Stet, the company that maintains the parties' document database loaded on Relativity; and from Kurtzman Carson Consultants, LLC, the notice, plan solicitation, and balloting agent in this case. Additionally, PSZJ corresponded with BRG and Business Management International ("BMI"), the Committee's financial and computer consultants regarding their fee applications.

g. Financing: (Total hours: 4.2, total fees \$2,320.00): PSZJ continued its request that the Debtor provide necessary information with its monthly operating reports. PSZJ also discussed the necessary information with the Committee's financial advisors, BRG. Additionally, PSZJ participated in

calls with the Debtor's counsel and its Chief Financial Officer regarding monthly financial reports and account details.

h. General Creditors Comm.: (Total hours: 4.8, total fees \$2,542.50):

In this category, PSZJ has billed its time spent preparing for and conducting weekly phone calls with the Committee. This category also includes PSZJ's time updating and maintaining the creditor website at www.pszjlaw.com.

i. Retention of Prof./Other: (Total hours: 0.8, total fees \$450.00):

PSZJ conferred with attorneys at Morgan Lewis & Bockius LLP regarding the Committee's application to employ that firm as special counsel.

j. Travel: (Total hours: 5.0, total fees \$3,250.00): PSZJ incurred

time for James I. Stang's travel from New York to Milwaukee for the August 12, 2011 hearing on the Committee's Rule 2004 motion for oral examination and the production of documents concerning aged and infirm witnesses.

8. PSZJ also requests reimbursement of expenses expended during the Compensation Period in the sum of \$22,613.65, as set forth in the summary attached as **Exhibit D**. PSZJ notes that these expenses are customary charges made to other of PSZJ's clients in the ordinary course of its billing practice.

9. PSZJ avers that it has not received any compensation for services rendered and expenses incurred during the Compensation Period.

10. Without regard to the Compensation Period, PSZJ has not represented any entity in this case having an adverse interest to the Committee.

WHEREFORE, PSZJ prays this Court to enter an Order in the form attached hereto as **Exhibit E** granting PSZJ compensation from August 1, 2011 through August 31, 2011 in the amount of **\$49,866.80** (which constitutes 80% of the total amount of PSZJ fees incurred during the Compensation Period), and reimbursement of expenses expended from August 1, 2011 through August 31, 2011 in the sum of **\$22,613.65**, for a total of **\$72,480.45**.

Dated: September 30, 2011

Respectfully submitted,

PACHULSKI STANG ZIEHL & JONES LLP

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